Message Text

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FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC IMMEDIATE 6294

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EXDIS

EO 11652: GDS

TAGS: PINT, EMIN, JM

SUBJECT: BAUXITE: DEADLINE PRESSURE ON NEGOTIATIONS

REFS: A) KINGSTON 4147; B) KINGSTON 4114

1. P. M. MANLEY WILL MAKE WHAT IS BILLED AS A "MAJOR POLICY" STATEMENT TOMORROW IN PARLIAMENT ON THE CAPITAL DEVELOPMENT FUND SET UP BY GOVERNMENT TO FINANCE MAJOR DEVELOPMENT PROJECTS WITH THE INCREASED REVENUES FROM BAUXITE, AND THE ROLES OF THE PRIVATE AND PUBLIC SECTORS IN A MIXED ECONOMY. THE SPEECH WILL BE BROADCAST LIVE ON TELEVISION AND WILL FOLLOW A PRESS BACKGROUNDER TONIGHT AND A FORMAL PRESS CONFERENCE TOMORROW NOON AT JAMAICA HOUSE.

2. COMMENT: THE GOJ'S IMPOSITION OF A NOVEMBER 20
DEADLINE IN THE KAISER NEGOTIATIONS (PARA 3, REF B),
THE P.M.'S STRIDENT ATTACK ON CAPITALISM OVER THE WEEKEND (REF A), AND TOMORROW'S STATEMENT BY THE PRIME MINISTER
CAN ONLY BE RELATED IN THE EMBASSY'S OPINION. AT BEST
THESE EVENTS ARE ONLY THE MEANS FOR PRESSURING KAISER
INTO A QUICK SETTLEMENT. AT WORST THEY COULD SIGNAL
ANOTHER UNILATERAL MOVE BY THE GOJ AGAINST THE
BAUXITE COMPANIES

2. WE UNDERSTAND THAT CORNELL MAPIER AND EDGAR KAISER

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ARE MEETING WITH MANLEY THIS MORNING AND THAT ISSUE

COULD GO EITHER WAY. HOWEVER, BASED ON ITS EARLIER CONVERSATIONS WITH KAISER REPS THE EMBASSY ESTIMATES THAT IT IS UNLIKELY THAT A KAISER DEAL CAN BE WRAPPED UP BY TOMORROW'S DEADLINE. ALTHOUGH FACTS ARE SCARCE, MANLEY COULD DECIDE, FAILING AN AGREEMENT, TO ANNOUNCE SOME TYPE OF UNILATERAL MOVE AGAINST THE BAUXITE COMPANIES IN HIS SPEECH TO PARLIAMENT.

3. IT LOOKS INCREASINGLY LIKE MANLEY IS AIMING FOR A GENERAL ELECTION IN EARLY 1975. IF HE CAN PRESSURE KAISER INTO AT LEAST INITIALING AN AGREEMENT BY THE DEADLINE, HE WILL THEN HAVE A PATTERN SETTLEMENT WHICH HE CAN TRY TO FORCE ON THE OTHER COMPANIES. IF KAISER AND/OR THE OTHERS FAIL TO AGREE HE THEN COULD UNILATERALLY IMPOSE A SOLUTION LIKE LAST SPRING AND AGAIN PLAY THE THIRD WORLD DAVID FIGHTING THE CAPITALIST GOLIATHS.

MANLEY'S CURRENT POPULARITY LARGELY IS ATTRIBUTABLE TO HIS "VICTORY" OVER THE BAUXITE COMPANIES LAST SPRING. A RERUN OF THAT PERFORMANCE WOULD GIVE HIM A MAJOR NATIONALISTIC ISSUE AND PROBABLY INSURE AN OVERWHELMING VICTORY FOR THE PNP IN A GENERAL ELECTION

4. AGAIN FACTS ARE SCARCE, BUT GOING ON WHAT LITTLE WE'VE GOT THE EMBASSY BELIEVES THE FOREGOING SPECULATION IS WELL WITHIN THE REALM OF THE POSSIBLE. MANLEY HAS GONE THE UNILATERAL ROUTE ONCE BEFORE. THIS TIME IT LOOKS LIKE HE MAY HAVE THE ADDED INCENTIVE OF USING IT TO ELECTORAL ADVANTAGE. GERARD

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